

DEPARTMENT OF STATE REVENUE

01-20200408R.MOD

**Memorandum of Decision: 01-20200408R
Individual Income Tax
For Tax Year 2016**

NOTICE: IC § 4-22-7-7 permits the publication of this document in the Indiana Register. The publication of this document provides the general public with information about the Indiana Department of Revenue's official position concerning a specific set of facts and issues. The "Holding" section of this document is provided for the convenience of the reader and is not part of the analysis contained in this Memorandum of Decision.

HOLDING

Individual filed a claim for refund within of the three-year statute of limitations, therefore the Department sustained her 2016 refund claim.

ISSUE

I. Individual Income Tax - Statute of Limitations.

Authority: IC § 6-8.1-9-1; *Dept. of State Revenue v. Caterpillar, Inc.*, 15 N.E.3d 579 (Ind. 2014); Indiana Executive Order 20-05; Internal Revenue Service Notice 2020-18.

Taxpayer protests the denial of her refund claim.

STATEMENT OF FACTS

Taxpayer is an Indiana resident. The Indiana Department of Revenue ("Department") denied Taxpayer's claim for refund because she filed the claim beyond the statutory three-year period required to file a refund claim. Taxpayer protested the denial and elected to forgo an administrative hearing. This Memorandum of Decision results. Additional facts will be provided as necessary.

I. Individual Income Tax - Statute of Limitations.

DISCUSSION

The Department denied Taxpayer's claim for refund stating, "Indiana Code 6-8.1-9-1(a) requires that a claim for refund in excess withholding or estimated payments must be filed within a 3-year period in order to be refunded excess withholding or estimated payments.... Your claim requesting the refund was not received before the three-year statute of limitations ended."

Taxpayer had a divorce agreement that required her former husband to provide documents to their tax preparer. When Taxpayer realized he had not provided the documents and the taxes had not been filed she decided to file herself. Taxpayer states that the return she filed was timely and that the claimed refund should be granted.

"[W]hen [courts] examine a statute that an agency is 'charged with enforcing. . . [courts] defer to the agency's reasonable interpretation of [the] statute even over an equally reasonable interpretation by another party.'" *Dept. of State Revenue v. Caterpillar, Inc.*, 15 N.E.3d 579, 583 (Ind. 2014). Thus, all interpretations of Indiana tax law contained within this decision shall be entitled to deference.

The Indiana Code provides guidance on filing a refund claim. IC § 6-8.1-9-1(a) states:

If a person has paid more tax than the person determines is legally due for a particular taxable period, the person may file a claim for a refund with the department. . . in order to obtain the refund, the person must file the claim with the department within three (3) years after the latter of the following:

(1) The due date of the return.

(2) The date of payment....

According to documentation verified by the Department, Taxpayer's return was postmarked on July 12, 2020,

which is after the April 15, 2020, deadline. According to IC § 6-8.1-9-1(a) to obtain the refund, Taxpayer must file the claim with the department within three years after the due date of the return. However, the Department of the Treasury and the Internal Revenue Service issued Notice 2020-18 which postponed the due date from April 15, 2020, until July 15, 2020, for filing Federal income tax returns. The Governor of Indiana issued Executive Order 20-05 that required the Department to impose filing extensions to comport with federally imposed extensions. Thus, the deadline for Taxpayer to file a claim for refund for her 2016 taxes was July 15, 2020. Because her claim for refund was postmarked on July 12, 2020, her claim for refund was timely and she is entitled to a refund under IC § 6-8.1-9-1(a).

FINDING

Taxpayer's protest is sustained.

September 27, 2021

Posted: 11/24/2021 by Legislative Services Agency
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